

Legislative Fiscal Bureau

Fiscal Note

SF 191 - Hemp Bill (LSB 2564 XS)

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Fiscal Note Version — New

Description

Senate File 191 allows for the production of industrial hemp and requires the Department of Agriculture and Land Stewardship to administer the licensing program and work with agencies of the United States government to provide for the production and possession of industrial hemp. The Bill specifies the Department of Agriculture and Land Stewardship and the Department of Public Safety have the authority to inspect an industrial hemp production site, distribution site, or records of a licensee. The Bill specifies that Iowa State University will conduct production and marketing research. The United States Drug Enforcement Administration refuses to grant licenses for the production of industrial hemp.

Assumptions

1. It is unknown how many applicants there would be to grow industrial hemp.
2. Iowa State University would realize increased costs for production and marketing research of approximately \$810,000 for FY 2004 and approximately \$840,000 for FY 2005. This includes salary and support for 11.00 FTE positions and purchase of equipment for security and lab testing.
3. The Department of Agriculture and Land Stewardship would incur costs for an Agricultural Products Inspector at \$70,000 and 1.00 FTE position for FY 2004 and \$48,000 and 1.00 FTE position for FY 2005 and subsequent years.
4. The Department of Public Safety would be required to analyze plant samples at a cost of \$373,000 and 3.00 FTE positions for FY 2004 and \$233,000 and 4.00 FTE positions for FY 2005 and subsequent years. This includes the purchase of laboratory equipment for sample testing in FY 2004.
5. There are between zero and eight licensing offenses per year.

Correctional Impact

Senate File 191 is expected to have a minimal correctional impact.

Fiscal Impact

Senate File 191 is expected to result in increased General Fund expenditures as follows:

	<u>FY 2004</u>	<u>FY 2005</u>
<u>Revenue</u>		
Fees	unknown	unknown
<u>Expenditures</u>		
Iowa State University	\$ 810,000	\$ 840,000
Dept. of Agriculture and Land Stewardship	70,000	48,000
Dept. of Public Safety	373,000	233,000
Total	<u>\$ 1,253,000</u>	<u>\$ 1,121,000</u>

Sources

Department of Agriculture and Land Stewardship
Department of Public Safety
Department of Human Rights, Criminal and Juvenile Justice Planning Division
Iowa State University

/s/ Dennis C Prouty

March 13, 2003

The fiscal note and correctional impact statement for this bill was prepared pursuant to Joint Rule 17 and pursuant to Section 2.56, Code of Iowa. Data used in developing this fiscal note and correctional impact statement are available from the Legislative Fiscal Bureau to members of the Legislature upon request.
